

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

<b>In re:</b>	§	
	§	<b>Chapter 11</b>
	§	
<b>NUVECTRA CORPORATION,</b>	§	<b>Case No. 19-43090</b>
	§	
	§	
<b>Debtor.</b> <sup>1</sup>	§	
	§	

**LIMITED OBJECTION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
TO DEBTOR’S EXPEDITED MOTION FOR AN ORDER (I) APPROVING BID AND  
AUCTION PROCEDURES, INCLUDING STALKING HORSE PROTECTIONS;  
(II) AUTHORIZING AND SCHEDULING AN AUCTION FOR THE SALE OF ASSETS;  
(III) APPROVING THE SALE OF ASSETS; AND (IV) GRANTING RELATED RELIEF**  
[Relates to Dkt. No. 110]

The Official Committee of Unsecured Creditors (the “Committee”) appointed in the Chapter 11 case of Nuvectra Corporation (the “Debtor”), submits this limited objection (the “Objection”) to the *Debtor’s Expedited Motion for an Order (I) Approving Bid and Auction Procedures, Including Stalking Horse Protections; (II) Authorizing and Scheduling an Auction for the Sale of Assets; (III) Approving the Sale of Assets; and (IV) Granting Related Relief* (the “Sale Motion”).<sup>2</sup>

**Objection**

1. As an initial matter, the Committee does not oppose a sale of the Debtor’s assets. The Committee files this response for the limited purpose of ensuring that value is maximized for the benefit of all parties-in-interest as detailed below.

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<sup>1</sup> The last four digits of the Debtor’s federal tax identification number are: 3847. The location of the Debtor’s principal place of business and the service address for the Debtor is: 5830 Granite Parkway, Suite 1100, Plano, TX 75024.

<sup>2</sup> Dkt. No. 110. Capitalized terms not herein defined shall have the meanings ascribed to them in the Sale Motion.

2. The main asset that was sold is the Debtor's intellectual property. The value of such intellectual property ("IP") is highly dependent upon, among other things, FDA approval of the products that use such IP. But while the Debtor had received FDA approval of its Algovita product prior to the petition date, the FDA is in the process of reviewing and approving its Virtis product.

3. At the beginning of this case, all parties, including the Committee, were hopeful that the Debtor would have received FDA approval for its Virtis product in time for the auction. Based on that belief, an expedited sale process was pursued in order to efficiently conserve estate resources.

4. Unfortunately, the Debtor is still waiting for FDA approval of the Virtis product (though, upon information and belief, the Debtor remains hopeful to receive it soon). Without such approval, the sale price paid at the auction was much lower than would otherwise likely be obtained if the Debtor had received such approval.

5. Given the extremely underwhelming sale results, the hearing to approve the sale should be postponed for a reasonable period of time, subject to the Court's availability, to allow the FDA to complete its review of the Debtor's Virtis produce so that parties can determine whether the Sale is truly in the best interests of the estate.

### **Prayer**

WHEREFORE the Committee respectfully requests (a) entry of an order postponing the hearing on the Sale Motion for a reasonable period of time, and (b) such other and further relief as the Court may deem just and proper, both at law and in equity.

**DATED:** March 2, 2020.

**THOMPSON & KNIGHT LLP**

By: /s/ Demetra Liggins  
Demetra L. Liggins  
State Bar No. 24026844  
Email: demetra.liggins@tklaw.com  
811 Main Street, Suite 2500  
Houston, TX 77002  
Telephone: (713) 654-8111  
Facsimile: (713) 654-1871

and

Cassandra Sepanik Shoemaker  
State Bar No. 24070592  
Email: cassandra.shoemaker@tklaw.com  
1722 Routh St, Suite 1500  
Dallas, TX 75201  
Telephone: (214) 969-1700  
Facsimile: (214) 969-1751

**CO-COUNSEL FOR THE  
OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS**

**CERTIFICATE OF SERVICE**

I hereby certify that on March 2, 2020, a true and correct copy of the foregoing was served on all parties entitled to service via this Court's electronic filing system ("ECF") and via First Class Mail on all parties listed on the Master service List.

/s/ Demetra Liggins  
Demetra L. Liggins